

LOUISIANA PUBLIC FACILITIES AUTHORITY
REPORT ON AUDIT OF THE COMPONENT
UNIT FINANCIAL STATEMENTS
DECEMBER 31, 2013

LOUISIANA PUBLIC FACILITIES AUTHORITY

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WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
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SOCIETY OF LA C.P.A.'S

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DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR., C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR., C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR., C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT

June 16, 2014

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the business type activity and each of the discretely presented component units of the Louisiana Public Facilities Authority (A Public Trust), a component unit of the State of Louisiana, as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Index.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhhmcpa.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activity and each of the discretely presented component units of the Louisiana Public Facilities Authority, as of December 31, 2013, and the respective changes in financial position and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Public Facilities Authority's basic financial statements. The schedule of per diem paid to trustees and the "Annual Financial Statements" as required by the Louisiana Division of Administration is presented for purposes of additional analysis and is not a required part of the financial statements of the Louisiana Public Facilities Authority. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Annual Financial Statement Reporting Packet, presented as other supplementary information, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. The Annual Financial Statement Reporting Packet is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Annual Financial Statement Reporting Packet is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014 on our consideration of the Louisiana Public Facilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Public Facilities Authority's internal control over financial reporting.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

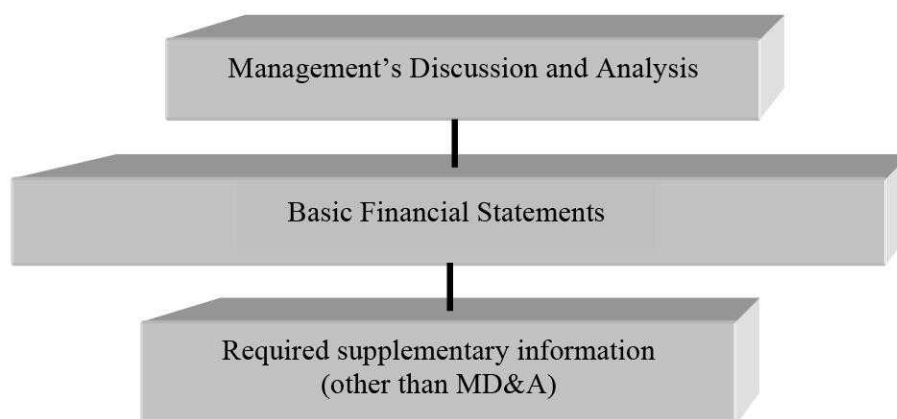
The following Management's Discussion and Analysis (MD&A) of the Louisiana Public Facilities Authority's activities and financial performance provides the reader with an introduction and overview to the financial statements of the Louisiana Public Facilities Authority (Authority) for the fiscal year ended December 31, 2013. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements that follow this section.

Following this MD&A are the basic financial statements of the Authority together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, these financial statements also present certain required supplementary information about the Authority.

FINANCIAL HIGHLIGHTS

- The Authority's total assets increased by \$305,095 or approximately 1.04%. Likewise, total net assets increased by \$30,792 or approximately 0.11%.
- Total cash and investments at December 31, 2013 represent approximately 80.36% of the Authority's total assets.
- Operating revenues decreased over the prior year primarily because of a decrease in the amount of Direct Loan Servicing Fees.
- Operating expenses were slightly less than the prior year due to decreases in Casual Labor, unreimbursed Project Costs, and Third Party Services.
- Non-operating revenues decreased from the prior year due to a decrease in unrealized gains in value on the Authority's investments.

OVERVIEW OF THE FINANCIAL STATEMENTS



LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

The preceding graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Balance Sheet includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues and Expenses and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority was profitable and its credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing and financial activities, and provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period. The cash flow statement is prepared using the direct method, and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

The following is a condensed Balance Sheet at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Current and Other Noncurrent Assets	\$ 29,562,322	\$ 29,256,950
Net Capital Assets	<u>32,564</u>	<u>32,841</u>
Total Assets	<u>\$ 29,594,886</u>	<u>\$ 29,289,791</u>
Current Liabilities	\$ 427,751	\$ 153,448
Total Liabilities	<u>\$ 427,751</u>	<u>\$ 153,448</u>
Net Position:		
Invested in Capital Assets, Net of Debt	\$ 32,564	\$ 32,841
Unrestricted	<u>29,134,571</u>	<u>29,103,502</u>
Total Net Position	<u>\$ 29,167,135</u>	<u>\$ 29,136,343</u>

FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statement of Revenues and Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net assets of the Authority and changes in them. You can think of the Authority's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions and new or changed government legislation, both state and federal.

The following is a condensed statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 2,351,474	\$ 2,685,298
Operating expenses	<u>(2,320,742)</u>	<u>(2,358,613)</u>
Operating income	30,732	326,685
Non-operating revenues	<u>60</u>	<u>589,996</u>
Increase in net position	<u>\$ 30,792</u>	<u>\$ 916,681</u>

As detailed in the above summary, the Authority's net position increased by \$30,792 in fiscal year 2013.

LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

One of the highest priorities of the Board of Trustees and management of the Authority is the preservation of the Authority's assets. Another priority is utilizing these assets for the betterment of the citizens of Louisiana while at the same time preserving the assets for future use by the Authority. With this in mind, the Authority has developed programs where it makes direct loans, primarily to small local governments, at a zero percent interest rate to help buy down the cost of financing for the borrower. Under this philosophy, the Authority restricts the amount of grants it makes and instead focuses on loans where the capital is returned to the Authority in a reasonable amount of time.

There was a slight decrease in operating revenues from fiscal year 2013. The decrease in operating revenues resulted primarily from a \$458,052 decrease in Direct Loan Servicing Fees.

There was a slight decrease in Operating Expenses due to decreases in Casual Labor, Unreimbursed Project Costs, and Third Party Services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of December 31, 2013, the Authority had \$610,121 invested in capital assets consisting mainly of office furniture and equipment. This amount did not change over last year.

Debt:

The Authority had no outstanding debt as of December 31, 2013.

VARIATIONS BETWEEN ACTUAL AND FINAL BUDGET

The Joint Legislative Committee on the Budget approves the annual operating budget of the Authority.

The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending on December 31, 2013, compared to the actual operating results for said fiscal year.

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Operating revenues	\$ 2,370,000	\$ 2,351,474	\$ (18,526)
Operating expenses	<u>(2,645,610)</u>	<u>(2,320,742)</u>	<u>324,868</u>
Operating Income or (Loss)	(275,610)	30,732	306,342
Non-operating revenues	<u>500,000</u>	<u>60</u>	<u>(499,940)</u>
Net increase in net position	<u>\$ 224,390</u>	<u>\$ 30,792</u>	<u>\$ (193,598)</u>

LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013

The 2013 budget also authorizes the purchase of \$29,400 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

Operating Revenues were slightly less than the budgeted amount primarily due to the amounts collected for Direct Loan Servicing Fees.

Operating Expenses were less than expected because of decreases in Casual Labor, Unreimbursed Project Costs, and Third Party Services.

Non-operating revenues were below the amount budgeted due to unrealized loss in value on the Authority's investments. The Authority does not budget for gains or losses on the value of investments due to the uncertain nature of market conditions that determine such gains or losses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority submits a budget at the beginning of each year for approval by the Authority's Board of Trustees and the Joint Legislative Committee on the Budget. The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending December 31, 2014.

Operating revenues	\$ 2,370,000
Operating expenses	<u>(2,645,610)</u>
Operating income (loss)	(275,610)
Non-operating revenues	<u>500,000</u>
Net increase in net assets	<u>\$ 224,390</u>

The 2014 budget also authorizes the purchase of \$29,400 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Louisiana with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Authority at 2237 South Acadian Thruway, Suite 650, Baton Rouge, Louisiana 70808, or visit the Authority's web site at www.lpfa.com.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
STATEMENTS OF NET POSITION
DECEMBER 31, 2013

	<u>ASSETS</u>		
	Primary Government	Component Units	Total Reporting
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 6,288,774	\$ 2,710,482	\$ 8,999,256
Time Certificates of Deposit	1,294,801	-	1,294,801
RECEIVABLES:			
Advanced Costs-Projects	1,433	-	1,433
Program Administrative Fees	118,152	-	118,152
Annual Issuer Fees	5,918	-	5,918
Financing Acceptance Fees	8,240	-	8,240
Accrued Interest and Dividend Receivable	292,737	4,173	296,910
Local Government Bond Bank	394,290	-	394,290
Rural Development Loan Program	2,835,000	-	2,835,000
Loans to Nonprofit Organizations	34,700	-	34,700
Direct Lending Servicing Fees	18,235	-	18,235
Mortgage Loans Receivable	-	270,764	270,764
Other Receivables	-	50,000	50,000
	<u>11,292,280</u>	<u>3,035,419</u>	<u>14,327,699</u>
Prepaid Insurance	10,238	-	10,238
TOTAL CURRENT ASSETS	<u>11,302,518</u>	<u>3,035,419</u>	<u>14,337,937</u>
NONCURRENT ASSETS			
CAPITAL ASSETS:			
Office Furniture and Equipment	600,244	-	600,244
Leasehold Improvements	9,877	-	9,877
Less: Accumulated Depreciation	<u>(577,557)</u>	<u>-</u>	<u>(577,557)</u>
Net Capital Assets	32,564	-	32,564
OTHER ASSETS:			
Fixed Income Securities			
U. S. Agencies	7,405,657	-	7,405,657
Municipal Government Bonds	261,886	-	261,886
Time Certificates of Deposit	7,522,938	4,190,443	11,713,381
Investment in Limited Partnerships	833,509	-	833,509
Receivables:			
Local Government Bond Bank	582,530	-	582,530
Loans to Nonprofit Organizations	1,653,284	-	1,653,284
Student Loans Receivable	-	1,812,822	1,812,822
Student Loans Accrued Interest	-	427,270	427,270
Total Other Assets	<u>18,259,804</u>	<u>6,430,535</u>	<u>24,690,339</u>
TOTAL ASSETS	<u>\$ 29,594,886</u>	<u>\$ 9,465,954</u>	<u>\$ 39,060,840</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
STATEMENTS OF NET POSITION
DECEMBER 31, 2013

LIABILITIES AND NET ASSETS

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT LIABILITIES			
Accounts Payable	\$ 427,751	\$ 1,972	\$ 429,723
Mortgage Loans Payable	<u>-</u>	<u>270,764</u>	<u>270,764</u>
TOTAL CURRENT LIABILITIES	427,751	272,736	700,487
NET POSITION:			
Invested in Capital Assets (net of related debt)	32,564	-	32,564
Unrestricted	<u>29,134,571</u>	<u>9,193,218</u>	<u>38,327,789</u>
TOTAL NET POSITION	<u>29,167,135</u>	<u>9,193,218</u>	<u>38,360,353</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 29,594,886</u>	<u>\$ 9,465,954</u>	<u>\$ 39,060,840</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
OPERATING REVENUES:			
Project and Program Administrative Fees:			
Finance Acceptance Fees	\$ 228,515	\$ -	\$ 228,515
Multi-Family Annual Issuer Fees	65,008	-	65,008
Program Administrative Fees	1,975,449	-	1,975,449
Financing Application Fees	3,000	-	3,000
Other Income	79,502	680	80,182
Interest	-	117,453	117,453
Total Operating Revenues	<u>2,351,474</u>	<u>118,133</u>	<u>2,469,607</u>
OPERATING EXPENSES:			
Administrative Services	79,832	-	79,832
Bad Debt	-	1,243	1,243
Business Promotions and Economic Development	78,238	-	78,238
Depreciation	18,437	-	18,437
Employee's Salaries and Benefits	1,320,403	-	1,320,403
Grant Expense	280,000	-	280,000
Insurance	28,800	-	28,800
Interest - Mortgage Loans	-	16,805	16,805
Legal and Accounting Services	31,376	990	32,366
Office Expense	118,498	-	118,498
Other	17,656	101,859	119,515
Printing, Publications, Dues and Subscriptions	75,861	-	75,861
Rent	186,387	-	186,387
Repairs on Mortgaged Properties Prior to Sale	-	2,670	2,670
Travel	71,654	-	71,654
Trustee Per Diems	13,600	-	13,600
Total Operating Expenses	<u>2,320,742</u>	<u>123,567</u>	<u>2,444,309</u>
Operating Income	30,732	(5,434)	25,298
NON-OPERATING REVENUES			
Interest Income, Net	533,106	26,292	559,398
Realized and Unrealized Losses on Investments	<u>(533,046)</u>	<u>-</u>	<u>(533,046)</u>
Total Non-Operating Revenues	<u>60</u>	<u>26,292</u>	<u>26,352</u>
CHANGE IN NET POSITION	30,792	20,858	51,650
NET POSITION - Beginning of year	<u>29,136,343</u>	<u>9,172,360</u>	<u>38,308,703</u>
NET POSITION - End of year	<u>\$ 29,167,135</u>	<u>\$ 9,193,218</u>	<u>\$ 38,360,353</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from Customers	\$ 2,215,178	\$ 103,186	\$ 2,318,364
Cash Payments to Suppliers for Goods and services	(708,125)	(123,488)	(831,613)
Cash Paid to Employees for Services	(1,320,403)	-	(1,320,403)
Other Operating Expenses	<u>-</u>	<u>(35)</u>	<u>(35)</u>
Net cash provided (used) by operating activities	186,650	(20,337)	166,313
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal Collections on Mortgage Loans	-	6,053	6,053
Principal Repayment on Mortgage Loans	-	(6,053)	(6,053)
Other Non-operating Income	<u>79,502</u>	<u>-</u>	<u>79,502</u>
Net cash provided in noncapital financing activities	79,502	-	79,502
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Interest Bearing Deposits and Investment Securities	(7,337,558)	446,621	(6,890,937)
Proceeds from Sale and Maturities of Investment Securities	5,358,735	-	5,358,735
Gain on Sale of Investments	(533,046)	-	(533,046)
Interest on Investment, Interest Bearing Deposits and Cash Equivalents	<u>533,106</u>	<u>26,291</u>	<u>559,397</u>
Net cash provided (used) by investing activities	<u>(1,978,763)</u>	<u>472,912</u>	<u>(1,505,851)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Purchase of Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,712,611)	452,575	(1,260,036)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,001,385</u>	<u>2,257,907</u>	<u>10,259,292</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,288,774</u>	<u>\$ 2,710,482</u>	<u>\$ 8,999,256</u>

(Continued)

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 30,732	\$ (5,434)	\$ 25,298
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	18,437	-	18,437
Bad debt	-	-	-
Change in receivables	(56,796)	(14,947)	(71,743)
Change in accounts payable and accrued liabilities	274,303	44	274,347
Change in other assets	(524)	-	(524)
Change in accrued interest payable	-	-	-
Change in mortgage loans	<u>(79,502)</u>	<u>-</u>	<u>(79,502)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>186,650</u>	\$ <u>(20,337)</u>	\$ <u>166,313</u>
SUPPLEMENTAL DISCLOSURES:			
NONCASH FINANCING ACTIVITY:			
Unrealized Losses on Investments	\$ <u>(533,046)</u>	\$ <u>-</u>	\$ <u>(533,046)</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
COMBINING STATEMENT OF NET POSITION
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2013

ASSETS

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Program	LPFA SuperTop Loan Program	Totals
CURRENT ASSETS:					
Cash and Cash Equivalents	\$ 9,254	\$ 12,450	\$ 111,183	\$ 2,577,595	\$ 2,710,482
Time Certificates of Deposit	-	-	-	-	-
RECEIVABLES:					
Accrued Interest and Dividend Receivable	-	-	-	4,173	4,173
Mortgage Loans Receivable	-	-	270,764	-	270,764
Other Receivable	-	-	-	50,000	50,000
Total Current Assets	<u>9,254</u>	<u>12,450</u>	<u>381,947</u>	<u>2,631,768</u>	<u>3,035,419</u>
NONCURRENT ASSETS:					
Time Certificates of Deposit - Long Term	-	-	-	4,190,443	4,190,443
Receivables - Long Term:					
Mortgage Loans Receivable	-	-	-	-	-
Student Loan Receivable	-	-	-	1,812,822	1,812,822
Student Loans Accrued Interest	-	-	-	427,270	427,270
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,430,535</u>	<u>6,430,535</u>
TOTAL ASSETS	<u>\$ 9,254</u>	<u>\$ 12,450</u>	<u>\$ 381,947</u>	<u>\$ 9,062,303</u>	<u>\$ 9,465,954</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,972	\$ 1,972
Mortgage Loans Payable	-	-	270,764	-	270,764
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>270,764</u>	<u>1,972</u>	<u>272,736</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>270,764</u>	<u>1,972</u>	<u>272,736</u>
NET POSITION:					
Unrestricted	<u>9,254</u>	<u>12,450</u>	<u>111,183</u>	<u>9,060,331</u>	<u>9,193,218</u>
Total Net Position	<u>9,254</u>	<u>12,450</u>	<u>111,183</u>	<u>9,060,331</u>	<u>9,193,218</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,254</u>	<u>\$ 12,450</u>	<u>\$ 381,947</u>	<u>\$ 9,062,303</u>	<u>\$ 9,465,954</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Louisiana Capital Funding Corporation	Louisiana Equipment Finance Corporation	LPFA Housing Assistance Program	LPFA SuperTop Loan Program	Totals
OPERATING REVENUES:					
Interest:					
Student Loans	\$ -	\$ -	\$ -	\$ 100,648	\$ 100,648
Mortgage Loans	-	-	16,805	-	16,805
Other Income	-	-	58	622	680
Total Operating Revenues	-	-	16,863	101,270	118,133
OPERATING EXPENSES:					
Bad Debt	-	-	-	1,243	1,243
Interest - Mortgage Loans	-	-	16,805	-	16,805
Legal and Accounting Services	495	495	-	-	990
Other	15	20	-	101,824	101,859
Repairs on Mortgaged Properties Prior to Sale	-	-	2,670	-	2,670
Total Operating Expenses	510	515	19,475	103,067	123,567
Operating Income (Loss)	(510)	(515)	(2,612)	(1,797)	(5,434)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income, Net	-	-	-	26,292	26,292
Realized and Unrealized Gains on Investments	-	-	-	-	-
Total Non-Operating Revenues	-	-	-	26,292	26,292
Change in Net Position	(510)	(515)	(2,612)	24,495	20,858
Total Net Position - Beginning of Year	9,764	12,965	113,795	9,035,836	9,172,360
TOTAL NET POSITION - END OF YEAR	\$ 9,254	\$ 12,450	\$ 111,183	\$ 9,060,331	\$ 9,193,218

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Louisiana Capital Funding Corporation</u>	<u>Louisiana Equipment Finance Corporation</u>	<u>LPFA Housing Assistance Program</u>	<u>LPFA SuperTop Loan Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ -	\$ -	\$ 16,863	\$ 86,323	\$ 103,186
Cash Payments to Suppliers for					
Goods and Services	(495)	(495)	(19,475)	(103,023)	(123,488)
Other Operating Expenses	<u>(15)</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>(35)</u>
Net Cash Provided by (used in)					
Operating Activities	(510)	(515)	(2,612)	(16,700)	(20,337)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Principal Collections on Mortgage Loans	-	-	6,053	-	6,053
Principal Repayment on Mortgage Loans	<u>-</u>	<u>-</u>	<u>(6,053)</u>	<u>-</u>	<u>(6,053)</u>
Net Cash Provided by (used in)					
Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of Interest Bearing Deposits	-	-	-	446,621	446,621
Interest on Investments, Interest Bearing					
Deposits and Cash Equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,291</u>	<u>26,291</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,912</u>	<u>472,912</u>
Net Decrease in Cash and Cash Equivalents	(510)	(515)	(2,612)	456,212	452,575
Cash and Cash Equivalents - Beginning of Year	<u>9,764</u>	<u>12,965</u>	<u>113,795</u>	<u>2,121,383</u>	<u>2,257,907</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,254</u>	<u>\$ 12,450</u>	<u>\$ 111,183</u>	<u>\$ 2,577,595</u>	<u>\$ 2,710,482</u>

(Continued)

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Louisiana Capital Funding Corporation</u>	<u>Louisiana Equipment Finance Corporation</u>	<u>LPFA Housing Assistance Program</u>	<u>LPFA SuperTop Loan Program</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ (510)	\$ (515)	\$ (2,612)	\$ (1,797)	\$ (5,434)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Bad Debt	-	-	-	-	-
Changes in Assets and Liabilities:					
Increase in Receivables	-	-	-	(14,947)	(14,947)
Decrease in Accounts Payable	-	-	-	44	44
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (510)</u>	<u>\$ (515)</u>	<u>\$ (2,612)</u>	<u>\$ (16,700)</u>	<u>\$ (20,337)</u>
 SCHEDULE OF NONCASH FINANCIAL AND INVESTING ACTIVITIES:					
Unrealized Gains and (Losses) on Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 21, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settler under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

The purposes of the Authority are to promote, encourage and further the accomplishment of all activities which are or may become of benefit to the State of Louisiana and which have a public purpose. To accomplish these purposes, the Authority issues bonds that provide the proceeds for the furtherance and accomplishment of various public purposes. The issuance of such obligations has been accounted for through trustee accounts maintained with various banks appointed as trustees. The obligations are limited and special obligations of the Authority and, as such, the Authority does not normally have any claims to assets or liabilities relating to the Bond issues. Accordingly, such transactions are not included in the accompanying financial statements until such time as an asset or liability has been determined to exist relating to residual amounts. Total bond principal outstanding at December 31, 2013, for Programs and Projects was approximately \$644,140,977 and \$6,130,835,925, respectively.

The following is a summary of certain significant accounting policies:

Scope of Reporting Entity:

For reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (state), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Louisiana Public Facilities Authority is considered a component unit of the State of Louisiana because the state has financial accountability over the Authority in that the Louisiana Joint Legislative Committee on the Budget has the authority to approve and amend the Authority's budget and the governor appoints all the Board of Trustees and can impose his/her will on the Authority. The accompanying financial statements present information only on the funds maintained by the Louisiana Public Facilities Authority and do not present information on the state, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

On January 1, 2013, the Authority adopted provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, which established criteria for determining which component units should be considered part of the Authority for financial reporting purposes. The basic criteria are as follows:

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Scope of Reporting Entity: (Continued)

- a. Appointing a voting majority of an organization's governing body, and
 - 1) The ability of the Authority to impose its will on that organization and/or
 - 2) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority.
- b. Organizations for which the Authority does not appoint a voting majority but are fiscally dependent on the Authority.
- c. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In addition to the basic criteria above, GASB 61 adds that the financial benefit/burden relationship must also exist between the reporting entity and the potential component units before it is included as a component unit of the reporting entity. The financial benefit/burden relationship, which was not amended by GASB 61 is defined in GASB 14 as existing if any one of the following conditions are present:

- a. The primary government is legally entitled to or can otherwise access the entity's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to the entity.
- c. The primary government is obligated in some manner for the debt of the entity

Based on the previous criteria, the Authority's management has included the following discretely presented component units in the financial reporting entity:

- The Louisiana Capital Funding Corporation (LCFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist the Authority's Local Government Capital Funding program. The LCFC has a December 31, 2013 year end.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Scope of Reporting Entity: (Continued)

- The Louisiana Equipment Finance Corporation (LEFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist with the Authority's programs. The LEFC has a January 31, 2014 fiscal year end.
- In March 2003, the Authority created the LPFA Housing Assistance Corporation (LHAC) for the purpose of assisting persons of low to moderate income with the purchase of homes through a lease-purchase program. LHAC has a December 31, 2013 year end. The Authority issued its LPFA Variable Rate Lease Purchase Revenue Bonds, Series 2003, to fund this lease-purchase program. Under the program, a participant (the Participant) works with the independent program administrators and a financial institution to become qualified to participate in the program. Once the participant has been approved by a financial institution, the Participant then identifies a house for purchase. LHAC then purchases the house identified by the Participant and leases the house to the Participant. LHAC pays the purchase price of the house by signing a mortgage (the Mortgage) in an amount equal to approximately 97% of the purchase price negotiated by the seller and the Participant. The remaining approximately 3% of the purchase price is paid from the proceeds of the Lease Purchase Revenue Bonds as part of the down payment and closing costs assistance provided to the Participant by the program. The lease terms are 39 months and the Participant assumes the Mortgage at the expiration of the lease.

The approximately 3% of the purchase price paid from the proceeds of the Lease Purchase Revenue Bonds is treated as a grant from the Lease Purchase Revenue Bonds to LHAC and then a grant by LHAC to the Participant. The mortgage loan receivable and related payments are recorded on the balance sheet of the component unit financial statement. In effect, LHAC is merely a conduit in assisting individuals purchase their personal residences and therefore mortgage loans receivable will equal mortgage loans payable. During the year ended December 31, 2013, the LHAC generated a net loss as a result of grants to tenants on properties held being more than the net gains from selling homes at fair market value where the participant decided to not continue in the program or converted the financing from a lease to a mortgage loan and the program receiving less in lease payments during the year than mortgage payments due that represent repayments or grants originally awarded.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Scope of Reporting Entity: (Continued)

- On June 10, 1993, the Louisiana Public Facilities Authority created the Louisiana Public Facilities Authority Trust Origination Program (the Super Top Trust) as part of the Authority's Student Loan Program (the Program). The Super Top Trust and trust agreement were amended on January 1, 1995, amended and restated on December 1, 1997, and amended again on April 20, 2011. The December 1, 1997 restatement included a name change to the Louisiana Public Facilities Authority Super Trust Origination Program. The Super Top Trust was created to serve as a loan origination mechanism for the Program under a 1992 Master Trust and a 1999 Master Trust, with the principal and income in the Program pledged to the bonds issued under those Master Trusts. Upon termination of the Super Top Trust, the assets and net income, if any, are to be distributed to the Authority. In April 2011, the Program was refinanced with a new, separate Taxable Backed Bonds Trust, Series 2011A (the 2011A Program) that no longer required the same Program principal and income guaranty. As a result, after the refinancing of the Program, the residual funds remaining were to remain in the Super Top Trust. In addition, the 2011A Program would not allow student loans that were in default and/or uninsured, to be part of the Series 2011A Program. Thus, such loans were transferred from the Program into the Super Top Trust. Additionally, the Series 2011A Program prohibited the repurchase of any Program loans prior to the refinancing date, April 20, 2011. The federal Department of Education identifies these loans as "mandatory repurchases" and lenders are required to repurchase such loans. Thus funds in the Super Top Trust are used for such mandatory repurchases related to the Program. The Authority's Board authorized the development of a private loan program to originate loans with the funds held in the Super Top Trust.

Measurement Focus and Basis of Accounting:

Measurement Focus

On January 1, 2012, the Authority adopted the provisions of Statement No. 63 ("Statement 63") of the Governmental Accounting Standards Board *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Reserves and Net Position*.

Statement 63 established standards for external financial reporting for all state and local governmental entities which includes a statement of net position, a statement of revenues and expenses and changes in net position and a statement of cash flows.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus and Basis of Accounting

Measurement Focus: (Continued)

The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

On January 1, 2013, the Authority adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 65, Items previously Reported as Assets and Liabilities*. GASB No. 65 amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with Concept Statement No. 4, *Elements of Financial Statements*.

GASB No. 65 also provides certain items previously recognized as assets and amortized into expense should now be expensed in the period incurred.

Basis of Accounting

The Authority uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic assets used.

Under the provisions of GASB Statement 20, “Accounting and Financial Reporting for Proprietary Fund Accounting”, the Authority follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

The LCFC, LEFC, LHAC and the Super Top Trust are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net position, temporarily restricted net position and permanently restricted net position as applicable. As of December 31, 2013, there were no temporary or permanently restricted net positions.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus and Basis of Accounting: (Continued)

Basis of Accounting (Continued)

The financial statements of LCFC, LEFC, LHAC and the Super Top Trust have been prepared on the accrual basis in which revenue is recognized when earned and expenses are recognized when incurred.

Budgets and Budgetary Accounting

The Authority uses the following budgetary practices:

- The Authority prepared its annual operating budget based on what was expected to be collected during the fiscal year. Management presents the budget to the Board of Trustees for approval prior to the budget being submitted to the Louisiana Joint Legislative Committee on the Budget. In addition, certain expenses were approved as necessary by the Board of Trustees before payment. Any budget amendments necessary during the year must be approved by the Board of Trustees and the Louisiana Joint Legislative Committee on the Budget.
- The Authority is not required to present a budget comparison in its financial statements.

Assets, Liabilities and Net Position

Cash, Interest Bearing Deposits and Investments

Cash includes demand deposits and money market deposits in trust accounts. Investments and Time Certificate Deposits are reported at fair value or at book value if fair value is not readily determinable as determined by the Authority's management. Fair value generally is considered to be the amount which the Authority might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuations as of any particular date, however, are not necessarily indicative of the amount which the Authority ultimately may realize as a result of a future sale or other disposition of the investments.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash, Interest Bearing Deposits and Investments (Continued)

In preparing the financial statements, the Authority's management is required to make significant judgments that affect the reported amounts of certain investments as of the date of the balance sheet and the change in unrealized appreciation (depreciation) for the period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the value that would have been used had a ready market for these investments existed and these differences could be material.

The process of valuing certain investments requires significant judgments that are particularly susceptible to change. The Authority's management believes that investment values are appropriate. While the Authority's management uses available information to recognize declines in investment values, future adjustments may be necessary based on changes in economic conditions or changes in the results of the operations of investee company. Fluctuations in the fair value of Investments and Interest Bearing Deposits are recorded as realized and unrealized gains (losses) in the statement of revenues and expenses and changes in net assets.

The Authority has two equity investments, one in Louisiana Fund I, L.P. and the other in Louisiana Fund II, L. P. which are reported at fair value. Subsequent adjustments to values will reflect meaningful third-party transactions in the private market or at fair market value reflecting, in any event, the investment's marketability, the business and prospects of the issuer of the investment and other relevant factors.

Receivables

Receivables are stated at their face value less the allowances for doubtful accounts as deemed necessary. These allowances are based on the Authority's periodic evaluation of the receivable portfolio and the Authority's past loss experience. The allowances for doubtful accounts are adjusted by charges to income and decreased by charge-offs (net of recoveries). The Authority feels that the current receivables are fully collectable as they are with local government agencies.

The Authority from time to time advances funds to certain bond programs and loans funds to local governmental entities and nonprofit organizations at no interest. Accordingly, a discount is recorded between the present values of the total eventual repayments of the notes, using a rate of interest similar to the rate of return that the Authority receives on its investments. The discounts are amortized over the estimated periods that such funds will be repaid and are included in interest income, net in the financial statements. The majority of the receivables consist of the loans to local government entities and nonprofit organizations at no interest.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets

Depreciation of all capital assets used by the Authority is charged as an expense against its operations. Depreciation has been provided over the assets estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Furniture and Equipment	3 – 7 years
Leasehold Improvements	10 years

All fixed assets are stated at historical costs.

Equity Classifications

Equity is classified as net position and displayed in two components:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that a portion of the debt is included in the same net position component as the unspent proceeds.
- Unrestricted net position – This component of net position consists of net assets, that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Operating Revenues

Program Investment Earnings

Program Investment Earnings consist primarily of residual funds of retired program bond issues. Residual proceeds represent cash and investment balances of a program bond issue that remain after the extinguishment of all obligations, including applicable arbitrage rebate to the federal government. The residuals are due to the Authority unless the issue’s Indenture of Trust identifies another recipient. The residual funds are recognized as income to the Authority upon the termination of the issue’s Indenture of Trust.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Operating Revenues (Continued)

Project and Program Administrative Fees:

Finance Acceptance Fee – The Authority requires a financing acceptance fee usually equal to one-twentieth of one percent of the face amount of issued bonds less the financing application fee. The financing application fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.

Multi-Family Annual Issuer Fees – The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage usually is either one-twentieth of one percent for pre-1985 or one tenth of one percent for issues thereafter. The fee covers general administration expenses incurred by the Authority.

Program Administrative Fees – The Authority acts as the administrator for certain programs, including the 2011A Program. The Authority is compensated as administrator through a fee based upon a percentage of the outstanding loans or assets of the program. The fee is assessed to cover program administrative costs and general administration expenses incurred by the Authority.

The 2011A Program assesses a total to be paid for both Servicing and Program Administrative fees (total), equal to a percentage of the outstanding Pool Balance (loan principal plus expected interest to be capitalized) paid on a monthly basis. Thus, the monthly Program Administrative Fee received by the Authority is equal to the difference between the monthly total fee and the monthly servicing fees. The portion of the total fee representing the Servicing Fees is adjusted upward each January 1 by 3% to factor in inflation.

For fiscal year 2013, the total fee was 0.783495%. For fiscal year 2014 the total fee is 0.7995%.

Direct Loan Servicing Fees - In 2012 the Authority began receiving Program Administrative fees as a servicer of federal direct student loans that are owned by the U.S. Department of Education (“Direct Student Loans”). The Health Care and Education Reconciliation Act of 2010 (HCERA) requires the U.S. Secretary of Education to contract with each eligible and qualified not-for-profit student loan servicer to service Direct Student Loans.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Project and Program Administrative Fees (Continued)

The Authority qualifies as a not-for-profit student loan servicer under HCERA. HCERA directs the U.S. Secretary of Education to contract with eligible non-profit servicers to service 100,000 accounts each, although the U.S. Secretary of Education can adjust loan volume based on performance. The Authority has partnered with other qualified not-for-profit student loan servicers and Edfinancial Services, LLC for the servicing of such Direct Student Loans. Under this teaming arrangement, Edfinancial Services, LLC performs the servicing functions for the Direct Student Loan accounts allocated to the Authority and the Authority receives a portion of the servicing fees paid by the federal government. With this income the Authority supports its state wide education initiatives and assists Louisiana students with their quest for higher education.

Financing Application Fee – The Authority assesses a non-refundable financing application fee of \$500 on all project-financing applications formally submitted for consideration by the Authority's Board of Trustees.

Income Taxes

No provision is made for income taxes because, as a public trust whose beneficiary is the State of Louisiana, the Authority is exempt from federal and state income taxes.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. CASH, CASH EQUIVALENTS AND INVESTMENTS:

The Authority maintains cash, certificates of deposit and investment pools available for use by the Authority.

As of December 31, 2013, the Authority had the following investments and maturities:

Primary Government

<u>Investment Type</u>	<u>Investments Maturities (in Years)</u>					
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>< than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>> Than 10</u>
U.S. Agencies	\$ 7,236,109	\$ 7,405,657	\$ -	\$ 3,646,185	\$ 1,860,318	\$ 1,899,154
Municipal Government Bonds	257,000	261,886	-	148,342	113,544	-
Time Certificates of Deposit	<u>8,987,287</u>	<u>8,817,739</u>	<u>-</u>	<u>6,309,319</u>	<u>2,305,502</u>	<u>202,918</u>
	16,480,396	16,485,282	<u>\$ -</u>	<u>\$10,103,846</u>	<u>\$ 4,279,364</u>	<u>\$ 2,102,072</u>
Equity Investment in Limited Partnership	<u>1,099,170</u>	<u>833,509</u>				
Total	<u>\$ 17,579,566</u>	<u>\$ 17,318,792</u>				

Discretely Presented Component Units

<u>Investment Type</u>	<u>Investments Maturities (in Years)</u>					
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>< than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>> Than 10</u>
Time Certificates of Deposit	<u>\$ 4,183,000</u>	<u>\$ 4,190,443</u>	<u>\$ -</u>	<u>\$ 4,190,443</u>	<u>\$ -</u>	<u>\$ -</u>
Total Component Units	<u>\$ 4,183,000</u>	<u>\$ 4,190,443</u>	<u>\$ -</u>	<u>\$ 4,190,443</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

As a means of limiting its exposure to fair value changes arising from fluctuations in interest rates, the Authority attempts to ladder the maturities of its investments so that at least 15-20% of its investments mature or come due each year. The Authority typically buys and holds its investments until maturity or until called. Any exceptions to this policy will be based on recommendations of the Chief Executive Officer to the member of the Investment Committee.

Credit Risk

The Authority limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2013, the Authority held no investments in commercial paper or corporate bonds.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Neither the Authority nor the discretely presented component units have a deposit policy for custodial credit risk. As of December 31, 2013, the Authority was not exposed to custodial credit risk on deposits totaling \$4,688,199.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. \$21,509,234 of the Authority's investments had no custodial credit risk exposure as of December 31, 2013 as the assets were held in the name of the Authority.

Cash, Cash Equivalents and Investments are included in the accompanying Balance Sheet at fair value under the following captions:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Cash and Cash Equivalents	\$ 6,288,774	\$ 2,710,482	\$ 8,999,256
Time Certificates of Deposits – Current	1,294,801	-	1,294,801
Time Certificates of Deposits – Long-Term	7,522,938	4,190,443	11,713,381
Fixed Income Securities – Long-Term	7,667,543	-	7,667,543
Investment in Limited Partnerships	<u>833,509</u>	<u>-</u>	<u>833,509</u>
	<u>\$ 23,607,565</u>	<u>\$ 6,900,925</u>	<u>\$ 30,508,490</u>

There were no marketable securities held by the component units at December 31, 2013.

As of December 31, 2013, the Authority had the following unfunded investment commitment:

The Authority has invested \$910,000 of a \$1,000,000 commitment for a limited partnership interest in Louisiana Fund I, L.P. The remaining commitment of \$90,000 will be paid according to the terms of the limited partnership agreement and will be funded with available cash or future revenues of the Authority.

During 2012, the Authority authorized an investment in Louisiana Fund II. The Authority has a \$2,000,000 commitment of which \$200,000 has been funded as of December 31, 2013.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

3. LEASES:

The Authority leases its office facilities under an operating lease agreement which expires on March 31, 2016. This lease was renewed on March 31, 2009 for an additional seven years. Rental expense applicable to the Authority's offices included in rent expense for 2013 was \$177,356.

Future minimum lease payments are as follows:

December 31, 2014	\$ 172,164
December 31, 2015	175,027
December 31, 2016	<u>43,995</u>
	<u>\$ 391,186</u>

4. EMPLOYEE RETIREMENT PLAN:

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2013 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution for the year ended December 31, 2013 was \$113,569.

5. LITIGATION:

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigations related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims are without merit because of the Authority's limited position as only a conduit for the bond issues.

6. REIMBURSABLE BOND ISSUANCE COSTS, LOCAL GOVERNMENT BOND BANK RECEIVABLES, RURAL DEVELOPMENT LOAN PROGRAM RECEIVABLES AND LOANS TO NONPROFIT ORGANIZATIONS:

The Authority established its "Bond Bank" and "Rural Development" Programs whereby it can lower the cost of local governmental borrowings by making direct loans for a portion of the borrowing at a 0% interest rate. In addition, the Authority has loaned certain nonprofit organization funds at 0% interest so that these organizations could secure additional funding from other sources.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

6. REIMBURSABLE BOND ISSUANCE COSTS, LOCAL GOVERNMENT BOND BANK RECEIVABLES, RURAL DEVELOPMENT LOAN PROGRAM RECEIVABLES AND LOANS TO NONPROFIT ORGANIZATIONS: (Continued)

The lost income for these Local Government Bond Bank Receivables, Rural Development Loan Program Receivables and Loans to Nonprofit Organizations are estimated using discounted cash flow analyses, with interest rates similar to the rate of return that the Authority receives on investments which was 3.27% for the year ended December 31, 2013. The terms used in calculating the discounted cash flows are estimated based upon the maturity dates of the bond issues in which monies were advanced for the Reimbursable Bond Issuance Costs and the actual loan maturity dates for the Local Bond Bank Receivables, Rural Development Loan Program Receivables and the Loans to Nonprofit Organizations. The estimated income lost due to the interest free receivables is \$153,065 in the current year and estimated to be \$321,514 to maturity of the receivables. The balances as of December 31, 2013 are as follows:

Current

Local Government Bond Bank Receivables	\$ 394,290
Rural Development Loan Program Receivables	\$ 2,835,000
Loans to Nonprofit Organizations	\$ 34,700

Long Term

Local Government Bond Bank Receivables	\$ 582,530
Loans to Nonprofit Organizations	\$ 1,653,284

7. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, <u>2013</u>
Office Furniture and Equipment	\$ 582,084	\$ 18,160	\$ -	\$ 600,244
Leasehold improvements	<u>9,877</u>	<u>-</u>	<u>-</u>	<u>9,877</u>
Total	<u>591,961</u>	<u>18,160</u>	<u>-</u>	<u>610,121</u>
Less accumulated depreciation:				
Office Furniture and Equipment	549,243	18,437	-	567,678
Leasehold improvements	<u>9,877</u>	<u>-</u>	<u>-</u>	<u>9,877</u>
Total accumulated depreciation	<u>559,120</u>	<u>18,437</u>	<u>-</u>	<u>577,557</u>
Net Capital Assets	<u>\$ 32,841</u>	<u>\$ (277)</u>	<u>\$ -</u>	<u>\$ 32,564</u>

Total depreciation expense for the year ended December 31, 2013 is \$18,437.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

8. CHANGES IN AMOUNTS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT:

The change in amounts invested in capital assets net of related debt can be summarized as follows:

Balance at January 1, 2013	\$ 32,841
Change in capital assets	<u>(277)</u>
Balance at December 31, 2013	<u>\$ 32,564</u>

9. COMPENSATED ABSENCES:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulated vacation and sick leave in the future. The liability for unused compensated absences is \$26,673 and is reflected in these financial statements in the Accounts Payable balance.

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION
SCHEDULE OF PER DIEM PAID TO TRUSTEES
FOR THE YEAR ENDED DECEMBER 31, 2013

Guy Campbell III - Chairman	\$ 1,200
Camille A. Cutrone - Vice Chairman	2,600
Peter Egan - Secretary/Treasurer	2,600
Dale Benoit - Member	2,400
Craig Charamie - Member	2,000
Lorin Crenshaw - Member	1,600
Hon Liew - Member	<u>1,200</u>
	<u>\$ 13,600</u>

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR., C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR., C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR., C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

June 16, 2014

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activity and the aggregate discretely presented component units of the Louisiana Public Facilities Authority (the Authority) as of and for the year ended December 31, 2013, and have issued our report thereon dated June 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhlmcpa.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA PUBLIC FACILITIES AUTHORITY
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Louisiana Public Facilities Authority for the year ended December 31, 2013 was unmodified.
2. Internal Control
Material weaknesses: None noted
Significant deficiencies: None noted
3. Compliance and Other Matters
Noncompliance material to financial statements: None noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

None

CURRENT YEAR FINDINGS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None

OTHER SUPPLEMENTARY INFORMATION

LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2013

C O N T E N T S

Affidavits		
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Statement of Revenues, Expenses, and Changes in Net Position		B
Statement of Activities (including Instructions for Simplified Statement of Activities)		C
Statement of Cash Flows		D
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3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions
16	Schedule of Cooperative Endeavors (see Appendices Packet - Appendix F at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm)

**The Appendices Packet is located as a separate packet on OSRAP's website at
<http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.**

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended December 31, 2013

Louisiana Public Facilities Authority
2237 South Acadian Thurway, Suite 650
Baton Rouge, Louisiana 70808

Division of Administration
Office of Statewide Reporting
and Accounting Policy

P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-

9397

LLAFileroom@lla.la.gov

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, James W. Parks, II, President and CEO of the Louisiana Public Facilities Authority, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Public Facilities Authority at December 31, 2013 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23 day of June, 2014.


Signature of Agency Official


NOTARY PUBLIC #41438

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

Email Address: _____

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

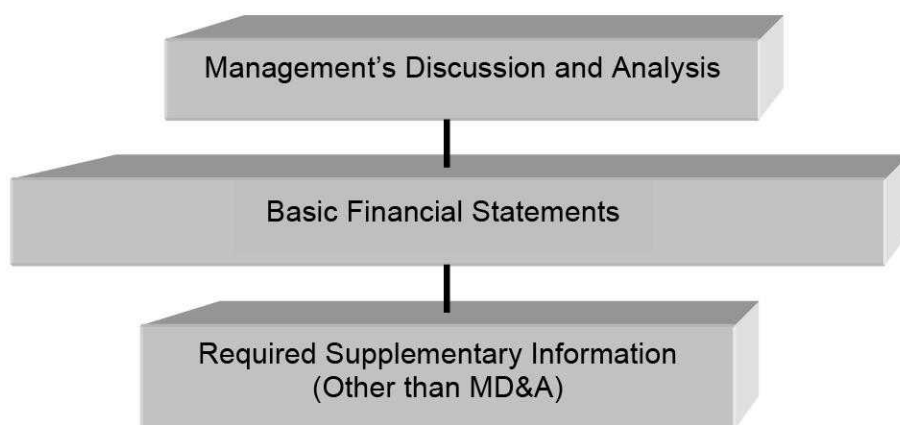
Management's Discussion and Analysis of the Louisiana Public Facilities Authority's (the Authority) financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Louisiana Public Facilities Authority's financial statements, which begin with Statement A.

FINANCIAL HIGHLIGHTS

- ★ The Authority's assets and deferred outflows exceeded liabilities and deferred inflows at the close of fiscal year 2013 by \$29,167,135, which represents a 0.11% increase from last fiscal year. The assets increased by \$305,095 (or 1.04%).
- ★ The Authority's revenue decreased \$923,761 (or -28.20%) and the net results from activities increased by \$30,792 (or 0.11%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

The Statement of Net Position (pages __ - __) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (pages __ - __) presents information showing how Louisiana Public Facilities Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages __ - __) presents information showing how Louisiana Public Facilities Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB Statement 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
as of December 31, 2013 and 2012

	Total	
	2013	2012
Current and other assets	\$ 29,562,322	\$ 29,256,950
Capital assets	32,564	32,841
Total assets	<u>29,594,886</u>	<u>29,289,791</u>
Total deferred outflow of resources		
Other liabilities	427,751	153,448
Long-term debt outstanding	-	
Total Liabilities	<u>427,751</u>	<u>153,448</u>
Total deferred inflow of resources		
Net position:		
Net investment in capital assets	32,564	32,841
Restricted		
Unrestricted	<u>29,134,571</u>	<u>29,103,502</u>
Total net position	<u>\$ 29,167,135</u>	<u>\$ 29,136,343</u>

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

Restricted assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted assets are those that do not have any limitations on how these amounts may be spent.

Assets of Louisiana Public Facilities Authority's increased by \$305,095, or 1.04%, from December 31, 2012 to December 31, 2013. The primary reason is due to the addition of more receivables. Other causes include additional investments.

**Statement of Revenues, Expenses, and Changes in Net Position
for the years ended December 31, 2013 and 2012**

	Total	
	2013	2012
Operating revenues	\$ 2,351,474	\$ 2,685,298
Operating expenses	2,320,742	2,358,613
Operating income(loss)	30,732	326,685
Non-operating revenues	533,106	589,996
Non-operating expenses	(533,046)	-
Income(loss) before transfers	30,792	916,681
Transfers in	-	-
Transfers out	-	-
Net increase(decrease) in net position	\$ 30,792	\$ 916,681

The Authority's total revenues decreased by \$ 923,761 or (-28.20%). The total cost of all programs and services decreased by \$37,874 or 1.61%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended December 31, 2013, the Authority had \$32,564 invested in a broad range of capital assets, including office furniture, and equipment. This amount represents a net decrease (including additions and deductions) of \$277, or -0.84%, over last year.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Land	\$ -	\$ -
Buildings and improvements	32,564	32,841
Equipment	-	-
Infrastructure	-	-
Intangible Assets	<u>-</u>	<u>-</u>
Totals	\$ <u>32,564</u>	\$ <u>32,841</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$18,000 under budget and expenditures were less than budget due in part to decreases in Casual Labor, Unreimbursed Project Costs and Third Party Services.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- The status of municipal finance market
- The anticipated program administrative fees to be generated from its student loan bond issue and direct loan servicing

The Authority expects that next year's results will improve based on the following:

- The status of the municipal finance market
- The Authority's ongoing cost saving measures
- The projected amount of program administrative fees to be generated from its student loan bond issue and direct loan servicing

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at 2237 south Acadian Thurway, Suite 650, Baton Rouge, LA 70808, or visit the Authority's web site at www.lpfa.com.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013**

Statement A

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	8,999,256
Time Certificates of Deposits		1,294,801
Investments		
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		4,033,642
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		10,238
Notes Receivable		
Other Current Assets		
Total current assets		14,337,937

NONCURRENT ASSETS

Restricted assets (Note F):

Cash		
Fixed Income Securities		7,667,543
Receivables		4,475,906
Time Certificates of Deposits		11,713,381
Investments in Limited Partnerships		833,509
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		32,564
Machinery and equipment		
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		24,722,903
Total assets	\$	39,060,840

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Total assets and deferred outflow of resources	\$	39,060,840

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013**

Statement A

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	429,723
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		270,764
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		700,487

NONCURRENT LIABILITIES

Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		700,487

DEFERRED INFLOWS OF RESOURCES

Accumulated increase in fair value of hedging derivatives	\$	
Deferred service concession arrangement receipts		
Total deferred inflows of resources		-

NET POSITION

Net investment in capital assets		32,564
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		38,327,789
Total net position		38,360,353
Total liabilities, deferred inflows of resources, and net position	\$	39,060,840

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA LOUISIANA PUBLIC FACILITIES AUTHORITY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2013	Statement B
--	--------------------

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Federal grants and contracts	_____
State, local and nongovernmental grants and contracts	_____
Other	2,469,607
Total operating revenues	2,469,607
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	2,425,872
Depreciation	18,437
Amortization	_____
Total operating expenses	2,444,309
Operating income(loss)	25,298
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	559,398
Other expense	(533,046)
Total non-operating revenues(expenses)	26,352
Income(loss) before contributions, extraordinary items, & transfers	51,650
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	51,650
Total net assets – beginning	38,308,703
Total net assets – ending	\$ 38,360,353

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Statement C

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
LPFA	2,320,742	2,351,474			30,732
Component Units					
LCFC	510				(510)
LEFC	515				(515)
LPFA HAC	19,475	16,838			(2,612)
LPFA Super Top	103,067	101,270			(1,797)
Entity	\$ 2,496,298	\$ 2,847,902	\$ -	\$ -	\$ 351,604
General revenues:					
	Taxes				
	State appropriations				
	Grants and contributions not restricted to specific programs				
	Interest				559,398
	Realized and Unrealized Gains and (Losses) on Investments				(533,046)
	Miscellaneous				
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
	Total general revenues, special items, and transfers				26,352
	Change in net assets				51,650
Net assets - beginning as restated					
Net assets - ending					

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Statement D
(continued)**

Cash flows from operating activities		
Cash receipts from customers	\$ 2,318,364	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(831,613)	
Cash payments to employees for services	(1,320,403)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any	(35)	
Net cash provided(used) by operating activities		166,313
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	6,053	
Interest paid on notes payable	(6,053)	
Operating grants received		
Transfers in		
Transfers out		
Other (***provide explanation)	79,502	
Net cash provided(used) by non-capital financing activities		79,502
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Other (***provide explanation)		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities	(6,890,936)	
Proceeds from sale of investment securities	5,358,735	
Loss on sale of investment	(533,046)	
Interest and dividends earned on investment securities	559,397	
Net cash provided(used) by investing activities		(1,505,850)
Net increase(decrease) in cash and cash equivalents		(1,260,035)
Cash and cash equivalents at beginning of year		10,259,292
Cash and cash equivalents at end of year		\$ 8,999,257

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE 31, 2013**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$	<u>25,298</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:			
Depreciation/amortization	18,437		
Provision for uncollectible accounts			
Other			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(71,743)		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories			
(Increase)decrease in other assets	(524)		
Increase(decrease) in accounts payable and accruals	274,347		
Increase(decrease) in compensated absences payable			
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues			
Increase(decrease) in OPEB payable			
Increase(decrease) in other liabilities	(79,502)		
Net cash provided(used) by operating activities		\$	<u>166,313</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Unrealized losses on investments		533,046
Total noncash investing, capital, and financing activities:	\$	<u>533,046</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Please provide an explanation of what is included in “other.” If there are multiple reasons, please list each out separately along with the amount.

*** Other (operating cash payments)**

State Tax Payment on Component Units._____

****Other (cash flows from non capital financing activities)**

Non-operating receipt of anti- Trust settlement._____

*****Other (cash flows from capital and related financing activities)**

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013**

INTRODUCTION

Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 21, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settled under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9 2341 et seq. The authority operates under a Board of Trustees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Public Facilities Authority (the Authority), present information only as to the transactions of the programs of the Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Authority are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>2,645,610</u>
Amendments:	<u> </u>
Final approved budget	\$ <u><u>2,645,610</u></u>

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Authority may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2013, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 3,252,683	\$	\$ 5,746,573	\$ 8,999,256
Deposits in bank accounts per bank	\$ 3,255,133	\$	\$ 5,746,573	\$ 9,001,706
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	Capital One	Demand Deposits	\$ 377,834
2.	Whitney Bank	Demand Deposits	299,704
3.	Merrill Lynch	Money Market	415,222
4.	Wells Fargo	Demand Deposits	2,577,595
5.	Bank of New York	Money Market	5,188,199
6.	Financial Northeastern Securities, Inc.	Money Market	143,152
Total			\$ 9,001,706

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$ -0-
Petty cash	\$ -0-

2. INVESTMENTS

The Authority does maintain investment accounts as authorized by the State of Louisiana (Note legal provisions authorizing investments by the Authority).

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty’s trust department or agent not in the entity’s name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$	\$	\$ 13,008,182	\$ 13,008,182
Repurchase agreements				
U.S. Government Obligations **				
U.S. Agency Obligations***			7,405,657	7,405,657
Common & preferred stock				
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other: (identify)				
Equity Investment			833,509	833,509
Municipal Government Bond			261,886	261,886
Total investments	\$ -	\$ -	\$ 21,509,234	\$ 21,509,234

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix A, Memo 13-01 for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A, Memo 13-01 for discussion of FNMA & FHLMC)

**** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.).

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$
	Total	\$ -

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments, **unless you have an external investment pool as discussed in OSRAP Memo 11-22** at <http://www.doa.louisiana.gov/OSRAP/library/memos/11/OSRAP1122.pdf>)

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations	7,405,657	-	3,646,186	1,860,318	1,899,154
Mortgage backed securities					
Time Certificates of Deposits	13,008,182		10,488,134	2,305,502	202,918
Municipal Government Bonds	261,886		148,342	113,544	-
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Equity Investments	833,509				
Other					
Total debt investments	\$ 21,509,234	\$ -	\$ 14,282,662	\$ 4,279,364	\$ 2,102,072

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendices Packet at www.doa.louisiana.gov/OSRAP/afrpackets.htm

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

(Appendix A) for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
	\$	
Total	\$ -	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
None	\$	\$
Total	\$ -	\$ -

4. DERIVATIVES (GASB 53)

A. Summary of Derivative Instruments

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

Complete the following table, "Summary of Derivative Instruments" for all derivative instruments held by the entity at December 31, 2013. If no derivative instruments were held by the entity at December 31, please state "None".

Summary of Derivative Instruments

Type	Notional	Changes in Fair Value Classification	Amount	Fair Value at December 31 Classification	Amount *
<u>Investment Derivative Instruments:</u>					
			\$		\$ None
<u>Fair Value Hedges:</u>			\$		\$ None
<u>Cash Flow Hedges:</u>			\$		\$ None

*If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.

B. Investment Derivative Instruments

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:

1. Credit Risk of Investment Derivative Instruments

None

2. Interest Rate Risk of Investment Derivative Instruments

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10
<u>None</u>						

Disclose the reference rate for each investment derivative instrument along with any embedded options

3. Foreign Currency Risk of Investment Derivative Instruments

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
None	\$	\$
Total	\$ -	\$ -

4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument

Item Reclassified	Notional Amount	Ineffective @	Fair Value @	Ineffective @	Fair Value @	Change in
		12/31/13 (Y/N)		12/31/12 (Y/N)		Fair Value @ 12/31/13
None						-
						-
						-
						-

C. Hedging Derivative Instruments

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at December 31, 2013.

Terms and Objectives of Hedging Derivative Instruments						
Type	Notional	Objective	Effective Date	Maturity Date	Terms *	Counterparty Credit Rating
None						

*Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		
None					

1. Credit Risk of Hedging Derivative Instruments

None _____

2. Interest Rate Risk of Hedging Derivative Instruments

1. B

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10
None						

R
i

3. Basis of Hedging Derivative Instruments

None _____

4. Termination Risk of Hedging Derivative Instruments

None _____

5. Rollover Risk of Hedging Derivative Instruments

None _____

6. Market-Access Risk of Hedging Derivative Instruments

None _____

7. Foreign Currency Risk of Hedging Derivative Instruments

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
None	\$	\$
Total	\$	\$

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than December 31, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

Debt and Lease Obligations for Hedged Debt (per GASB Statement 38, paragraph 10)

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative</u> <u>Instruments, Net</u>	<u>Total</u>
2014	\$	\$	\$	\$
2015				-
2016				-
2017				-
2018				-
2019-2023				-
2024-2028				-
2029-2033				-
2034-2038				-
2039-2043				-
Total	-	-	-	-

Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

List any terms by which the interest rates change for variable-rate debt.

Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB Statement 38, paragraph 11). If your fiscal year ends other than June 30, change the date

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

within the table. If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

Fiscal Year Ending June 30	Minimum Future Lease Payment
2014	\$ _____
2015	_____
2016	_____
2017	_____
2018	_____
2019-2023	_____
2024-2028	_____
2029-2033	_____
2034-2038	_____
2039-2043	_____

If effectiveness is determined by another quantitative method not identified in GASB Statement 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

D. Contingent Features

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period. **None** _____

E. Hybrid Instruments

If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".

None _____

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
Notes to the Financial Statement
As of and for the year ended December 31, 2013

F. Synthetic Guaranteed Investment Contracts (SGICs)

If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".

None _____

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

Interest Rate Risk - As a means of limiting its exposure to fair value changes arising from fluctuations in interest rates, the Authority attempts to ladder the maturities of its investments so that at least 15-20% of its investments mature or come due each year. The Authority typically buys and holds its investments until maturity or until called. Any exceptions to this policy will be based on recommendations of the Chief Executive Officer to the member of the Investment Committee.

Credit Risk - The Authority limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2013, the Authority held no investments in commercial paper or corporate bonds.

Custodial Credit Risk – Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Neither the Authority nor the discretely presented component units have a deposit policy for custodial credit risk. As of December 31, 2013, bank and money market balances in the amount of \$4,688,199 were exposed to custodial credit risk. The Authority maintained pledged collateral with one bank to cover \$49,704 of the \$4,688,199.

Custodial Credit Risk – Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. \$21,509,234 of the Authority's investments had no custodial credit risk exposure as of December 31, 2013 as the assets were held in the name of the Authority.

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6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. Investments in pools managed by other governments or mutual funds

- b. Securities underlying reverse repurchase agreements _____

- c. Unrealized investment losses _____

- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold

2. Description of the terms of the agreement

- e. Losses during the year due to default by counterparties to deposit or investment transactions _____

- f. Amounts recovered from prior period losses which are not shown separately on the statement of net position

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements

- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of

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reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest

- _____
- _____
- j. Commitments on _____ (fiscal close) to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close) of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures (GASB 31)

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____

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- u. Any income from investments associated with one fund that is assigned to another fund

Land and Other Real Estate Held as Investments by Endowments (GASB 52)

- v. _____ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 12/31/2012	Prior Period Adjustments	Restated Balance 12/31/2012	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 12/31/2013
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ 9,877	\$ -	\$ 9,877	\$ -	\$ -	\$ -	\$ 9,877
** Accumulated depreciation	(9,877)	-	(9,877)	-	-	-	(9,877)
Total land improvements	-	-	-	-	-	-	-
Buildings	582,084	-	582,084	18,160	-	-	600,244
** Accumulated depreciation	(549,243)	-	(549,243)	(18,437)	-	-	(567,680)
Total buildings	32,841	-	32,841	(277)	-	-	32,564
Machinery & equipment	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total machinery & equipment	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 32,841	\$ -	\$ 32,841	\$ (277)	\$ -	\$ -	\$ 32,564
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	591,961	-	591,961	18,160	-	-	610,121
Total cost of capital assets	591,961	-	591,961	18,160	-	-	610,121
Accumulated depreciation/amortization	(559,120)	-	(559,120)	(18,437)	-	-	(577,557)
Capital assets, net	\$ 32,841	\$ -	\$ 32,841	\$ (277)	\$ -	\$ -	\$ 32,564

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

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If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

E. INVENTORIES

The Authority does not maintain any Inventories.

F. RESTRICTED ASSETS

Restricted assets in the Authority at December 31, 2013 (fiscal year end), reflected at \$0 in the non-current assets section on Statement A.

G. LEAVE

1. COMPENSATED ABSENCES

The Authority has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulated vacation and sick leave in the future. The liability for unused compensated absences is \$26,673 and is reflected in these financial statements in the Accounts Payable balance.

2. COMPENSATORY LEAVE

The Authority does not have compensatory leave balances remaining at year-end. All nonexempt employees are paid for overtime work during the pay period in which the work was performed.

H. RETIREMENT SYSTEM

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2013 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon

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the retirement of an employee. The total contribution for the year ended December 31, 2013 was \$113,569.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Authority does not have any post employment retirement health care and life insurance benefits available for the employees at December 31, 2013.

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending June 30, 2013." Report note disclosures for other plans, not administrated by OGB, separately.

	Annual OPEB expense and net OPEB Obligation	12/31/2013
Fiscal year ending		
1. * ARC		NONE
2. * Interest on NOO		
3. * ARC adjustment		
4. * Annual OPEB Expense (1. + 2. - 3.)		
5. Contributions (employer pmts. to OGB for retirees' cost of 2013 insurance premiums)		
6. Increase in Net OPEB Obligation (4. - 5.)		
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		
8. **NOO, end of year (6. + 7.)		

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending June 30, 2013."

**This should be the same amount as that shown on the statement of net position for the year ended June 30, 2013 if your entity's only OPEB is administered by OGB.

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For more information on calculating the annual OPEB expense and the net OPEB obligation, see Appendices Packet – Appendix D at <http://www.doa.louisiana.gov/OSRAP/afirpackets.htm>.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB Statement 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB Statements 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

I. Plan Description

- a) Name of Plan
- b) Identify entity that administers the plan
- c) Type of plan
- d) Brief description of the types of benefits
- e) Authority under which benefit provisions are established or may be amended
- f) Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

II. Funding Policy

- a) Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.
- b) Required contribution rates of plan members (amount per member or percentage of covered payroll).
- c) Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statute or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

III. Additional disclosures for sole and agent employers for each plan:

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- a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)
- c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.
- d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:
 - 1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
 - 2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.
 - 3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.

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- 4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
- 5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
 - (a) The actuarial cost method.
 - (b) The method(s) used to determine the actuarial value of assets.
 - (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
 - (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

IV. Required Supplementary Information:

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

- a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
- b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.) The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

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If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2013 amounted to \$177,356. (Note: If lease payments extend past FY 2028, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019-2023</u>	<u>FY 2024-2028</u>
Office Space	\$ 172,164	\$ 175,027	\$ 43,995	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
Total	\$ 172,164	\$ 175,027	\$ 43,995	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and GASB Statement 62 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

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Schedule A should be used to report all capital leases including new leases in effect as of 6/30/13. In Schedule B, report only those new leases entered into during fiscal year 2012-2013.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Cost)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2033, create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30:	<u>Total</u>
2014	\$ _____
2015	_____
2016	_____
2017	_____
2018	_____
2019-2023	_____
2024-2028	_____
2029-2033	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	Gross Amount of Leased Asset (<u>Historical Cost</u>)	Remaining interest to end of <u>lease</u>	Remaining principal to end of <u>lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY 2033, create additional rows and report these future minimum lease payments in five year increments.)**

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Year ending June 30:	<u>Total</u>
2014	\$ _____
2015	_____
2016	_____
2017	_____
2018	_____
2019-2023	_____
2024-2028	_____
2029-2033	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	Gross Amount of Leased Asset (<u>Historical Cost</u>)	Remaining interest to end of <u>lease</u>	Remaining principal to end of <u>lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
d. Other	_____	_____	_____
Total \$	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY 2033, create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30:	<u>Total</u>
2014	\$ _____
2015	_____
2016	_____
2017	_____
2018	_____
2019-2023	_____
2024-2028	_____
2029-2033	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____	_____
c. Equipment	_____	_____	_____	_____
d. Land	_____	_____	_____	_____
e. Other	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____ -		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____ -		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____ -		

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Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2013 were \$_____ for office space, \$_____ for buildings, \$_____ for equipment, \$_____ for land, and \$_____ for other.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY 2033, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2014	\$ _____
2015	_____
2016	_____
2017	_____
2018	_____
2019-2023	_____
2024-2028	_____
2029-2033	_____
Total \$	_____ -

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), or both of the criteria for a lessor lease (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20____:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____ -
b. Building	_____	_____	_____ -
c. Equipment	_____	_____	_____ -
d. Land	_____	_____	_____ -
e. Other	_____	_____	_____ -
Total \$	_____ -	\$ _____ -	\$ _____ -

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The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY 2033, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2014	\$	\$	\$	\$	\$ -
2015					-
2016					-
2017					-
2018					-
2019-2023					-
2024-2028					-
2029-2033					-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Current year lease revenues received in fiscal year _____ totaled \$ _____.
 Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for buildings, \$ _____ for equipment, \$ _____ for land, and \$ _____ for other.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2013:

Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable				-	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable				-	
Other long-term liabilities	276,818		6,053	270,765	
Total other liabilities	276,818	-	6,053	270,765	-
Total long-term liabilities	\$ 276,818	\$ -	\$ 6,053	\$ 270,765	\$ -

(Balances at December 31st should include current and non-current portion of L-T liabilities.)

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(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the statement of net position for each type of long-term liabilities.

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note. Do not report impaired capital assets as defined by GASB Statement 42 below, rather disclose GASB Statement 42 impaired capital assets in the impairment note.

The “probable outcome” of litigation can be described as probable, reasonably possible, or remote. Probable means the future event is likely to occur; reasonably possible means the future event is more than remote but less than likely to occur; remote means the future event has a slight chance to occur. Losses or ending litigation that is probable in nature should be accrued in the financial statements and reflected on the account line, Claims and Litigation Payable.

The _____ (BTA) is a defendant in litigation seeking damages as follows: (List only litigation not being handled by the Office of Risk Management.

Date of Action	* Check (✓) if handled by AG's Office	Description of Litigation and Probable outcome (probable, reasonably possible or remote)	Estimated Amount for Claims & Litigation (opinion of legal counsel)	Insurance Coverage
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	\$ _____	\$ _____

* Check ONLY those cases in which the AG’s Office is representing or defending your entity. Also, if the AG’s Office is defending your entity in a lawsuit and you are not aware of the probable outcome or estimated liability for your entity, type “unknown” in the applicable fields and we will obtain the information from the AG’s Office.

Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

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(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

- (a) Purchase of commercial insurance,
- (b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
- (c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
- (d) Other (explain) _____

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. _____

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. _____

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

Disallowed Cost:

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount***
1	_____	_____	\$ _____	_____	\$ _____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____

* Reasonably possible, probable, or remote

** Indicate only if amount can be reasonably estimated by legal counsel

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M. RELATED PARTY TRANSACTIONS

GASB 62, paragraph 55, requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

P. DEFEASED ISSUES

The Authority does not have any defeased issues as of December 31, 2013.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

The Authority does not have any revenues pledged or sold as of December 31, 2013.

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission, the Louisiana Public Facilities Authority,**

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or other local finance authority has authorized in your agency's name or in your agency's behalf. Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:

- Pledged revenue is _____

- Debt secured by the pledged revenue (amount) _____

- Approximate amount of pledge _____ (equal to the remaining principal and interest requirements)

b. Term of the commitment: _____ [number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge: _____

d. Relationship of the pledged amount to the specific revenue: _____
(the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):

- Principal requirements: _____

- Interest requirements: _____

- Pledged revenues recognized during the period _____ (gross pledged revenue minus specified operating expenses)

NOTE: For any new Revenue Bonds, you must send a copy of the following pages:

- Cover page
- Introductory statement
- Amortization schedule – terms and conditions
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

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2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendices Packet - Appendix E at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)

Provide the following information in the year of the sale ONLY:

- a. Identify the specific revenue sold:
 - the revenue sold is _____
 - the approximate amount _____
 - significant assumptions used in determining the approximate amount _____
- b. Period of the sale: _____
- c. Relationship of the sold amount to the total for that specific revenue: _____
- d. Comparison of the sale:
 - proceeds of the sale _____
 - present value of the future revenues sold _____
 - significant assumptions in determining the present value _____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2012-2013:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At December 31, 2013 the Authority had no violations of finance or contractual obligations.

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T. SHORT-TERM DEBT

The _____ (BTA) issues short-term notes for the following purpose(s)
 _____.

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	\$ _____	\$ _____	\$ _____	\$ _____ -

The _____ (BTA) uses the following revolving line of credit to
 finance _____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Balance	Draws	Redeemed	Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2013, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Rural Development Loans	\$ _____	\$ _____	\$ _____	\$ 2,835,000	\$ 2,835,000
Local Government Bond Bank	\$ _____	\$ _____	\$ _____	\$ 976,820	\$ 976,820
Loans to Nonprofit Organizations	\$ _____	\$ _____	\$ _____	\$ 1,687,984	\$ 1,687,984
Mortgage Loans Receivable	\$ _____	\$ _____	\$ _____	\$ 270,764	\$ 270,764
Student Loans Receivable	\$ _____	\$ _____	\$ _____	\$ 1,812,822	\$ 1,812,822
Student Loans Accrued Interest	\$ _____	\$ _____	\$ _____	\$ 427,270	\$ 427,270
Other	\$ _____	\$ _____	\$ _____	\$ 498,888	\$ 498,888
Gross receivables	\$ _____ -	\$ _____ -	\$ _____ -	\$ 8,509,548	\$ 8,509,548
Less allowance for uncollectible accounts				-	
Receivables, net	\$ _____ -	\$ _____ -	\$ _____ -	\$ 8,509,548	\$ 8,509,548
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ 3,122,622	\$ _____ -

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V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2012, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 315,570	\$ 26,673	\$	\$ 87,480	\$ 429,723
					-
Total payables	\$ 315,570	\$ 26,673	\$ -	\$ 87,480	\$ 429,723

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Authority between the close of the fiscal period and issuance of the financial statements.

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17

Disclose condensed financial statements for blended component units. Per GASB 61, paragraph 9(a), "For governments engaged only in business-type activities that use a single column for financial statement presentation, a component unit may be blended by consolidating its financial statement data with the single column of the primary government and presenting condensed combining information in the notes to the financial statements."

Type of goods or services provided by each segment or blended component unit:

Segment/Blended C.U. No. 1 _____
Segment/Blended C.U. No. 2 _____

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A. Condensed statement of net position:

Condensed Balance sheet:

	<u>Segment/Blended C.U. #1</u>	<u>Segment/Blended C.U. #2</u>
Current assets	\$ 15,691,221	\$
Due from other funds		
Capital assets	32,564	
Other assets	23,337,055	
Total assets	39,060,840	
Deferred outflow of resources		
Current liabilities	700,487	
Due to other funds		
Long-term liabilities		
Total liabilities		
Deferred inflow of resources		
Net investment in capital assets	32,564	
Restricted assets - expendable		
Unrestricted assets - nonexpendable		
Unrestricted assets	38,327,789	
Total Net Position	38,360,353	

B. Condensed statement of revenues, expenses, and changes in net assets:

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment/Blended C.U. #1</u>	<u>Segment/Blended C.U. #2</u>
Operating revenues	\$ 2,469,607	\$
Operating expenses	2,425,872	
Depreciation and amortization	18,437	
Operating income (loss)	25,298	-
Nonoperating revenues (expenses)	26,352	
Capital contributions/additions to permanent and term endowments		
Special and extraordinary items		
Transfers in		
Transfers out		
Change in net assets	51,650	-
Beginning net assets	38,308,703	
Ending net assets	38,360,353	-

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C. Condensed statement of cash flows:

	Segment/Blended <u>C.U. #1</u>	Segment/Blended <u>C.U. #1</u>
Net cash provided (used) by operating activities	\$ 166,313	\$
Net cash provided (used) by noncapital financing activities	79,502	
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities	(1,505,850)	
Beginning cash and cash equivalent balances	10,259,292	
Ending cash and cash equivalent balances	8,999,256	-

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:

(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due from other funds		\$

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due to other funds		\$

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total transfers from other funds		\$

4. List by fund type **all transfers to other funds for the fiscal year:**

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<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ <u>_____</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Authority had no liabilities payable from restricted assets at December 31, 2013.

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION

The following adjustments were made to restate beginning net position for June 30, 20__.

Ending net position 6/30/12 as reported to OSRAP on PY AFR	*Adjustments to ending net position 6/30/12 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/12) + or (-)	Beg net position @ 7/1/12 as restated
\$ _____	\$ _____	# _____	\$ _____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -
_____	_____	_____	_____ -

*Include all audit adjustments accepted by the agency or entity.
Each adjustment must be explained in detail on a separate sheet.

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total assets reported on Statement A at December 31, 2013, \$0 are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to the Appendices Packet, Appendix C, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for more details on the determination of the amount to be reported as required by GASB Statement 46.

List below the assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total	39	\$ <u>_____</u> -

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CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

GASB Statement 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendices Packet, Appendix B, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for more information on GASB Statement 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 12-13: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in the Appendices Packet, Appendix B, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmt</u>	<u>Financial Statement Classification</u>	<u>Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 12-13 related to impairment losses occurring in previous years, and insurance recoveries received in FY 12-13 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

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The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as early retirement incentives.

Other termination benefits include:

1. Early retirement incentives such as cash payments. Some state agencies adopted layoff avoidance plans to provide a mechanism to balance budget deficits while delaying or avoiding layoffs.
2. Continued access to healthcare, including COBRA costs paid by the agency
3. Career counseling
4. Outplacement services

Payments for accrued annual leave are not considered termination benefits. Annual leave is a part of the compensation that the state offers in exchange for services received. As a result, payments for accrued annual leave upon termination are considered to be compensation for employee services. Do not report these amounts as termination benefits.

GASB Statement 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s).
2. Year the state becomes obligated
3. The number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided

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6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

The agency recognizes the cost of providing termination benefits as expenditures when paid during the year. For FY 20__, the cost of providing those benefits for ____ (number of) terminations totaled \$ _____. For state uniform payroll agencies, these amounts are coded to G/L account 2125, Salaries-Class-RIP.

The liability for the accrued terminations benefits payable at June 30, 20__ is \$ _____. This liability consists of ____ (number of) terminations.

Provide a detailed description of termination benefits provided to employees as summarized above. Include names, job titles and amounts. Provide attachments as necessary. This information will be provided by OSRAP to all state uniform payroll agencies.

[The termination benefits payable at fiscal year end should also be included on the statement of net position in the “compensated absences payable” account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

The Authority does not provide any post retirement or termination benefits to employees.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

EE. POLLUTION REMEDIATION OBLIGATIONS

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Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in net position, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures:

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

See OSRAP Memo 09-24,

<http://www.doa.louisiana.gov/OSRAP/library/memos/09/OSRAP0924.pdf> or the Q&A at http://www.doa.la.gov/OSRAP/library/gasb34/GASB49_QA.pdf for more information on measuring pollution remediation liabilities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, _____ (BTA) was a responsible party or potential responsible party in the remediation of _____ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on _____ agency's/entity's property. A possible explanation for this is _____. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ _____. The _____ (agency) paid \$ _____ in remediation costs for fiscal year 2013 and is reporting a balance of \$ _____ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.

STATE OF LOUISIANA

(BTA)

Notes to the Financial Statement

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a (agency/department)													
GASB 49													
Inventory Log													
FYE 6/30/13													
Project Name	e FP&C/ DEQ Project Number	f Trigger Year	g 6/30/12 En ding Balance	h Increases	i Decreases (expenditures) (including accruals)	j Decreases (other adjustments)	k 6/30/13 Ending Balance (including accruals)	l Percent Complete	m Current Portion of L/T Debt	n Non-Current Portion of L/T Debt	o Realizable Recoveries	p 13th Period Expenditures	q Notes
Projects Reported @ 6/30/12: b													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Projects NOT Previously Reported: c													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Projects Begun after 7/1/12: d													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Totals			0	0	0	0	0		0	0	0	0	

STATE OF LOUISIANA

(BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20_____

Explanations for GASB 49 Worksheet

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/11
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2012
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are **not** expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally estimated.
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable within the next 12 months
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/13. This amount plus the amount in column V (m) must total the amount in column R (k)
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court decision

STATE OF LOUISIANA

(BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20_____

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Provide your entity's ARRA revenue received in FY 2013 on a full accrual basis:

\$0_____

Provide your entity's ARRA expenses in FY 2013 on a full accrual basis:

\$0_____

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

Per GASB Statement 34, paragraph 34, assets are reported as restricted when constraints on asset use are either; externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation. Restricted Assets are reported on the statement of net position as restricted by Capital Projects, Debt Service, Unemployment Compensation, and Other Specific Purposes. The statement of net position amount for Restricted Assets - Other Specific Purposes should be further defined by function as follows:

	<u>Restricted Assets</u>
Conservation and Environment	\$ _____
Corrections	_____
Culture, Recreation, and Tourism	_____
Education	_____
General Government	_____
Health and Welfare	_____
Public Safety	_____
Transportation and Development	_____
Youth Services	_____
Total	\$ _____ -

HH. SERVICE CONCESSION ARRANGEMENTS

Service Concession Arrangements (SCAs) are types of public-private or public-public partnerships. The term public-private partnership is used to refer to a variety of service arrangements, management arrangements, and SCAs. An SCA is an arrangement between a government (the transferor) and an operator, who may be a governmental entity or a nongovernmental entity, in which all four criteria are met. For additional information, see OSRAP Memo 13-24 at <http://www.doa.louisiana.gov/OSRAP/library/memos/13/OSRAP1324.pdf>.

Provide the following information:

- Identify the parties to the arrangement:

- The time period of the SCA:

Start date: _____

End date: _____

- The asset/facility that is involved:

- General description of the arrangement – management objectives, and status of the project during the construction period:

- The nature and amounts of assets, liabilities, and deferred inflow of resources:

- The nature and extent of rights retained by the transferor or granted to the governmental operator under the agreement:

- Identify the significant consideration – up-front payments, installment payments, a new facility, improvements to an existing facility, etc.

Arrangements that have provisions for guarantees and commitments such as the transferor being responsible for the debt if the operator defaults or may include a minimum revenue guarantee to the operator. Provide the following:

- Identify the guarantee and commitment:

- Duration of the arrangement:

- Significant contract terms of the guarantee or commitment:

Attach select pages from the service concession arrangement that provide the facts.

Name		Amount
Guy Campbell III - Chairman	\$	1200
Camille A. Cutrone - Vice Chairman		2600
Peter Egan - Secretary/Treasurer		2600
Dale Benoit - Member		2400
Craig Charamie - Member		2000
Lorin Crenshaw - Member		1600
Hon Liew - Member		1200
Total	\$	13,600

SCHEDULE 1

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE
 _____, 20____
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE
 _____, 20____
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Unamortized Discounts and Premiums Series:							
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

***Note: Principal outstanding (bond series minus unamortized costs) at 6/30/13 should agree to bonds payable on the statement of net position.**

Send copies of new amortization schedules for bonds and unamortized costs.

Fiscal Year	<u>Principal</u>	<u>Interest</u>
<u>Ending:</u>		
2014	\$ _____	\$ _____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
2029-2033	_____	_____
2034-2038	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 20__

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ _____	\$ _____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
2038	_____	_____
Subtotal	_____ --	_____ --
Unamortized Discounts/Premiums	_____	_____
Total	\$ _____ --	\$ _____ --

***Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/13
 should agree to bonds payable on the statement of net position.**

STATE OF LOUISIANA

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	<u>2013</u>	<u>2012</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>3,029,005</u>	\$ <u>3,478,217</u>	\$ <u>(449,212)</u>	\$ <u>(12.92%)</u>
Expenses	<u>2,977,355</u>	<u>2,496,298</u>	<u>(481,057)</u>	<u>(1.93%)</u>
2) Capital assets	<u>610,121</u>	<u>591,961</u>	<u>18,160</u>	<u>3.07%</u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net position	<u>38,360,353</u>	<u>38,308,703</u>	<u>51,650</u>	<u>0.13%</u>
Explanation for change:	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>

AGENCY NUMBER _____
AGENCY NAME _____

[illegible]